

**THE OFFICE OF REGULATORY STAFF
DIRECT TESTIMONY AND EXHIBITS
OF
CHRISTINA L. SEALE**

March 6, 2012



DOCKET NO. 2012-2-E

**ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS
OF SOUTH CAROLINA ELECTRIC AND GAS
COMPANY**

1 **DIRECT TESTIMONY AND EXHIBITS OF**
2 **CHRISTINA L. SEALE**
3 **ON BEHALF OF**
4 **THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**
5 **DOCKET NO. 2012-2-E**
6 **IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF**
7 **SOUTH CAROLINA ELECTRIC & GAS COMPANY**
8

9 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND**
10 **OCCUPATION.**

11 **A.** My name is Christina L. Seale. My business address is 1401 Main Street,
12 Suite 900, Columbia, South Carolina, 29201. I am employed by the South
13 Carolina Office of Regulatory Staff (“ORS”) in the Audit Department, as an
14 Auditor.

15 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**
16 **EXPERIENCE.**

17 **A.** I received a Bachelor of Science Degree with a major in accounting and a
18 minor in computer systems and applications from Columbia College in 2000.
19 From 2000 to 2004, I was employed by the South Carolina Office of the State
20 Auditor. In that capacity, I performed agreed-upon procedures engagements and
21 statewide single audits of various state agencies in South Carolina. In January
22 2005, I began my employment as an auditor with ORS and have participated in

1 numerous rate cases and various other filings for electric, telephone, water and
2 wastewater utilities.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 **A.** The purpose of my testimony is to present the results of ORS Audit Staff's
6 examination of the books and records pertaining to South Carolina Electric & Gas
7 Company's ("the Company" or "SCE&G") Fuel Adjustment Clause ("FAC")
8 operation. The current review period consists of actual information from January
9 2011 through December 2011 and the Company's estimated calculations for the
10 months of January through April 2012 (Docket No. 2012-2-E). The findings of
11 the examination for the actual review period are set forth below and in the
12 exhibits attached to this testimony.

13 **Q. WHAT WAS THE PURPOSE OF THIS EXAMINATION?**

14 **A.** The purpose of this examination was to determine whether the Company's
15 accounting practices in computing and applying the monthly FAC have been in
16 compliance with S.C. Code Ann. §58-27-865 (Supp. 2011). To accomplish this
17 task, ORS examined the components associated with the operation of the clause.

18 **Q. WHAT WAS THE SCOPE OF ORS'S EXAMINATION?**

19 **A.** ORS Audit Staff examined and verified the monthly fuel adjustment factor
20 calculations and the fuel recovery balances recorded in the Company's books and
21 records. The current fuel examination covered the actual period of January
22 through December 2011 ("actual review period") and four (4) estimated months
23 from January to April 2012. ORS Audit Staff did not examine the months of

1 January, February, March, and April 2012 since these were Company estimates.

2 The Audit Department's examination consisted of:

3 1. Analyzing the Fuel Stock Account- Account #151

4 ORS's analysis of the Fuel Stock Account consisted of verifying receipts to
5 and issues from the fuel management system to the general ledger, examining
6 monthly fuel charges originating in fuel accounting, and ensuring that only
7 proper charges were entered in the Company's computation of fuel costs for
8 purposes of adjusting base rates for fuel costs.

9 2. Sampling Receipts to the Fuel Stock Account- Account #151

10 ORS's review of receipts to the Fuel Stock Account consisted of examining
11 and testing selected transactions which support additions to the account. Each
12 transaction examined was tested for mathematical accuracy and vouched to a
13 corresponding waybill or truck bill, coal receiving report and freight study
14 detailed report. Each transaction was then verified by a corresponding fuel
15 management system payment voucher to prove payment of the correct amount
16 to the vendors.

17 3. Verifying Charges to Nuclear Fuel Expense- Account #518

18 ORS verified the expense amounts of nuclear fuel to the books and records for
19 the actual review period to confirm the accuracy of these expenses to fuel
20 amortization schedules.

21 4. Verifying Purchased and Interchange Power Fuel Costs

22 ORS verified the Company's Purchased and Interchange Power Fuel Costs,
23 kilowatt-hour ("kWh") purchases and sales for the actual review period to

1 **AUDIT EXHIBIT CLS-1: TOTAL RECEIVED AND WEIGHTED**
2 **AVERAGE COST**

3 This audit exhibit details the total cost for the actual review period of
4 \$810,917,250, for the three types of fossil fuel: coal, #2 oil, and natural gas. ORS
5 has also computed the weighted average cost of each type of fuel.

6 **AUDIT EXHIBIT CLS-2: RECEIVED COAL – COST PER TON (PER**
7 **PLANT)**

8 This audit exhibit details the received cost per ton of coal at each plant during the
9 actual review period, in dollars per ton, including freight costs.

10 **AUDIT EXHIBIT CLS-3: RECEIVED COAL - COST PER TON**
11 **COMPARISON**

12 This audit exhibit details the received cost per ton of coal for each month from
13 January 2011 through December 2011 for SCE&G, Duke Energy Carolinas, and
14 Progress Energy Carolinas. For comparison purposes, ORS has shown the
15 invoice cost per ton, freight cost per ton, total cost per ton, and the cost per
16 MBTU.

17 **AUDIT EXHIBIT CLS-4: BURNED COST – CONSUMED GENERATION**

18 This audit exhibit details the per book cost of fuel burned for electric generation
19 during the actual review period. The burned cost of each class of fuel is shown
20 separately. These total costs of \$786,842,688 are used in the computation of the
21 base fuel factor. The sulfur dioxide (“SO₂”) and nitrogen oxides (“NO_x”)
22 emission allowance expenses and other variable environmental costs, as described
23 in §58-27-865 (A)(1)(Supp. 2011), are shown in Audit Exhibit CLS-8.

AUDIT EXHIBIT CLS-7: TOTAL ENVIRONMENTAL COSTS

Shown in this audit exhibit are the environmental costs totaling \$13,546,188 for January 2011 through December 2011 of SO₂ and NO_x emission allowances, lime, limestone and ammonia.

AUDIT EXHIBIT CLS-8: DETAILS OF ENVIRONMENTAL COSTS

Shown in this audit exhibit are the actual fuel cost computations, for January 2011 through December 2011, of SO₂ and NO_x emission allowances, lime, limestone, ammonia, and SCE&G's estimate of variable environmental costs for January, February, March and April 2012.

Q. WOULD YOU PLEASE EXPLAIN THE CUMULATIVE OVER (UNDER)-RECOVERY AMOUNT BROUGHT FORWARD IN AUDIT EXHIBIT CLS-6?

A. Yes. As detailed in Audit Exhibit CLS-6, ORS brought forward a cumulative (under)-recovery balance from December 2010 of (\$76,013,131). The Company's testimony {Rooks' EXHIBIT NO._(AWR-1)} reflects an (under)-recovery balance brought forward from December 2010 of (\$76,704,245). The difference between the two balances is an over-recovery amount of \$691,114 that reflects the ORS's over-recovery adjustment from the prior review period, Docket No. 2011-2-E. The Company recorded this adjustment in February 2011.

Q. PLEASE ELABORATE ON ORS AUDIT STAFF'S COMPUTATION OF THE TRUE-UP OF OVER (UNDER)-RECOVERED FUEL COSTS.

A. ORS Audit Exhibit CLS-6 provides details of ORS's calculation of the actual cumulative (under)-recovery balance through December 2011, and the

1 estimated balance through April 2012. The cumulative (under)-recovery amount
2 at December 2011 totaled (\$92,791,882). ORS then added SCE&G's estimated
3 (under)-recoveries of (\$1,435,041) for January 2012, (\$5,184,101) for February
4 2012, (\$1,644,611) for March 2012 and (\$260,126) for April 2012. In addition,
5 ORS included the monthly carrying costs approved in Docket No. 2011-2-E, the
6 monthly calculation amount of \$1,583,583 for the Urquhart and Jasper Fixed
7 Capacity Charges, and the Company's estimated, on-going adjustments for 'cycle
8 billing' unbilled fuel cost over (under)-recoveries, to arrive at a cumulative
9 (under)-recovery of (\$68,179,038) through April 2012. The Company's
10 testimony {Rooks' EXHIBIT NO. __ (AWR-1)} in this docket reports the
11 cumulative (under)-recovery total through December 2011 as (\$92,791,882) and
12 through April 2012, the (under)-recovery totals (\$68,179,038).

13 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS**
14 **DURING THE ACTUAL REVIEW PERIOD FOR THE BASE FUEL**
15 **COMPONENT?**

16 **A.** Yes. The Company made the following adjustments as shown on Audit
17 Exhibit CLS-6:

18 **Adjustment (1)-** As described in PSC Docket No. 2011-2-E and in Company
19 witness Rooks' direct testimony from PSC Docket No. 2012-2-E, the Company
20 has a monthly carrying cost applied to the (under)-recovery balance, shown as an
21 (under)-recovery entry to the Deferred Fuel Account (Account # 182.3004). ORS
22 examined and recomputed the carrying charges for these entries, with no
23 exceptions noted.

1 **(3C)-** In June 2011, the Company made an (under)-recovery adjustment of
2 (\$15,033) to reflect the actual coal expense reported at the Wateree Plant in April
3 2011.

4 **(3D)-** In September 2011, the Company made an (under)-recovery adjustment of
5 (\$496,334) associated with incorrect gas cost assignments to SCE&G's Local
6 Distribution Company and Jasper electric generation, which was discovered
7 during the annual examination of the purchased gas adjustment. The total system
8 adjustment proposed by ORS in Docket 2011-5-G was \$545,427. Therefore,
9 Jasper electric fuel costs were understated by (\$545,427) on a system basis. The
10 retail portion of the fuel adjustment is (\$487,315), with applicable carrying costs
11 of (\$9,019). This equates to a total (under)-recovery adjustment of (\$496,334).

12 ORS examined and recomputed all of the previous adjustments (3A-3D) with no
13 exceptions noted.

14 **Adjustment (4)-** In the review period and the estimated and forecasted months,
15 the Company reflects an adjustment to account for the 'timing difference'
16 associated with unbilled revenue per electric sales not yet billed due to the regular
17 'cycle billing' process versus the fuel adjustment clause process which reflects all
18 of its unbilled fuel transactions (sales and costs) on a full monthly basis. ORS
19 examined and recomputed this adjustment with no exceptions noted.

20 **Q. WOULD YOU PLEASE EXPLAIN THE CUMULATIVE OVER (UNDER)-**
21 **RECOVERY BALANCE BROUGHT FORWARD IN AUDIT EXHIBIT**
22 **CLS-8?**

1 **A.** Yes. As reflected in Audit Exhibit CLS-8, ORS brought forward a
2 cumulative over-recovery balance from December 2010 of \$3,180,866. The
3 Company's testimony {Rooks' EXHIBIT NO.__(AWR-3)} reflects a cumulative
4 over-recovery balance brought forward from December 2010 of \$3,159,478. The
5 difference between the two balances is an over-recovery amount of \$21,388 that
6 reflects ORS's over-recovery adjustment of \$21,387 from the prior review period,
7 Docket No. 2011-2-E. The Company made this adjustment in February 2011.

8 **Q. PLEASE ELABORATE ON ORS AUDIT STAFF'S COMPUTATION OF**
9 **THE TRUE-UP OF OVER (UNDER)-RECOVERED ENVIRONMENTAL**
10 **COSTS.**

11 **A.** ORS Audit Exhibit CLS-8 provides data for ORS's cumulative
12 environmental cost (under)-recovery balance of (\$3,051,203) through December
13 2011. ORS then added SCE&G's monthly estimated over (under)-recoveries for
14 January through April 2012. The Company's estimated on-going adjustments for
15 'cycle billing' unbilled fuel cost over (under)-recoveries were incorporated to
16 arrive at a cumulative (under)-recovery of (\$3,954,086). The Company's
17 testimony {Rooks' EXHIBIT NO.__(AWR-3)} in this docket reports the
18 cumulative environmental cost (under)-recovery total through December 2011 as
19 (\$3,051,201) and through April 2012 as (\$3,954,085).

20 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS**
21 **DURING THE ACTUAL REVIEW PERIOD FOR THE**
22 **ENVIRONMENTAL COST COMPONENT?**

1 **A.** As of December 2011, based on a Base Fuel Cost Component cumulative
2 (under)-recovery balance of (\$92,791,882) and an Environmental Cost
3 Component cumulative (under)-recovery balance of (\$3,051,203), the combined
4 result totals (\$95,843,085).

5 As of April 2012, based on a Base Fuel Cost Component cumulative
6 (under)-recovery balance of (\$68,179,038) and an Environmental Cost
7 Component cumulative (under)-recovery balance of (\$3,954,086), the combined
8 result totals (\$72,133,124).

9 **Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?**

10 ~~**A.** Based on ORS Audit Staff's examination of the Company's books and~~
11 records, and its operation of the fuel cost recovery mechanism, it is ORS's
12 opinion the Company's books and records accurately reflect the fuel costs
13 incurred by the Company in accordance with previous Commission orders and
14 with S.C. Code Ann. §58-27-865 (Supp. 2011).

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 **A.** Yes, it does.

South Carolina Electric & Gas Company
Total Received and Weighted Average Cost
January 2011 - December 2011
Docket No. 2012-2-E

<u>Month</u>	<u>Coal</u>		<u>#2 Oil</u>		<u>Gas</u>		<u>Total Received Cost</u>
	Tons	\$	Gal	\$	MCF	\$	\$
Jan-11	455,814	49,054,863	1,531,765	4,211,904	3,990,458	25,388,225	78,654,992
Feb-11	338,178	37,279,207	221,835	680,056	2,897,673	15,126,608	53,085,871
Mar-11	417,629	47,190,093	303,238	978,935	3,722,736	18,511,913	66,680,941
Apr-11	339,047	36,820,325	400,316	1,339,535	3,974,192	20,983,077	59,142,937
May-11	438,235	48,142,550	265,778	840,691	4,837,869	25,302,313	74,285,554
Jun-11	401,634	44,075,619	104,162	326,551	4,316,131	24,066,451	68,468,621
Jul-11	421,215	46,179,597	133,554	440,198	5,030,559	27,157,260	73,777,055
Aug-11	434,881	49,811,848	157,789	490,640	5,295,730	26,435,742	76,738,230
Sep-11	373,689	42,038,301	67,304	212,810	5,436,543	26,204,327	68,455,438
Oct-11	435,863	48,965,079	373,190	1,184,796	5,327,243	23,634,078	73,783,953
Nov-11	425,779	47,537,750	170,652	567,974	4,520,509	18,889,701	66,995,425
Dec-11	293,198	33,159,433	37,447	142,372	4,424,929	17,546,428	50,848,233
Total	4,775,162	530,254,665	3,767,030	11,416,462	53,774,572	269,246,123	810,917,250
Weighted Average Cost		\$ 111.04		\$ 3.03		\$ 5.01	

South Carolina Electric & Gas Company
Received Coal - Cost Per Ton (Per Plant)
January 2011 - December 2011
Docket No. 2012-2-E

<u>Plant</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Canadys	109.36	106.96	108.35	104.93	107.05	110.96	107.37	110.20	109.50	109.37	111.70	370.82
Cope	113.87	117.34	106.47	107.24	107.67	109.32	108.73	118.54	115.39	114.35	114.42	114.98
McMeekin	117.21	116.98	113.20	127.77	134.02	113.59	116.63	130.17	130.68	152.59	0.00	113.05
Urquhart	78.44	98.87	99.46	107.00	96.41	102.98	103.63	101.13	103.69	105.28	0.00	100.43
Wateree	111.74	112.71	120.17	120.76	117.57	115.19	116.55	122.34	109.01	115.23	111.72	108.97
Williams	95.32	97.26	107.54	102.74	99.54	105.45	100.11	98.56	107.05	107.10	107.88	126.61
Total System	107.62	110.24	113.00	108.60	109.86	109.74	109.63	114.54	112.50	112.34	111.65	113.10

**South Carolina Electric & Gas Company
Received Coal - Cost Per Ton Comparison
January 2011 - December 2011
Docket No. 2012-2-E**

South Carolina Electric & Gas Company

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Jan-11	76.05	31.57	107.62	4.2500
Feb-11	77.71	32.53	110.24	4.3700
Mar-11	79.00	34.00	113.00	4.4800
Apr-11	76.35	32.25	108.60	4.3400
May-11	78.02	31.84	109.86	4.3600
Jun-11	75.14	34.60	109.74	4.3500
Jul-11	76.52	33.11	109.63	4.3600
Aug-11	81.09	33.45	114.54	4.5600
Sep-11	79.56	32.94	112.50	4.4600
Oct-11	79.74	32.60	112.34	4.4800
Nov-11	78.91	32.74	111.65	4.4600
Dec-11	80.30	32.80	113.10	4.5200

Duke Energy Carolinas¹

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Jan-11	67.49	24.84	92.33	3.7430
Feb-11	67.59	25.44	93.03	3.7383
Mar-11	68.34	26.72	95.06	3.9011
Apr-11	65.70	26.62	92.32	3.8077
May-11	66.86	26.88	93.74	3.8626
Jun-11	65.38	28.73	94.11	3.8625
Jul-11	65.43	28.54	93.97	3.8566
Aug-11	68.41	27.14	95.55	3.9197
Sep-11	67.79	28.66	96.45	3.9403
Oct-11	67.43	28.17	95.60	3.9037
Nov-11	67.75	28.58	96.33	3.8614
Dec-11	69.75	26.42	96.17	3.9392

**South Carolina Electric & Gas Company
Received Coal - Cost Per Ton Comparison
January 2011 - December 2011
Docket No. 2012-2-E**

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.¹

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Jan-11	63.18	22.42	85.60	3.4730
Feb-11	60.60	25.35	85.95	3.5149
Mar-11	63.84	26.79	90.63	3.7235
Apr-11	61.46	25.86	87.32	3.6140
May-11	59.25	25.88	85.13	3.5371
Jun-11	60.69	28.21	88.90	3.6660
Jul-11	65.02	32.10	97.12	4.0236
Aug-11	63.48	26.18	89.66	3.6926
Sep-11	61.74	27.26	89.00	3.7095
Oct-11	64.97	26.94	91.91	3.7730
Nov-11	62.09	31.02	93.11	3.8410
Dec-11	61.45	28.54	89.99	3.8412

¹ Total Cost per Ton information for Duke Energy Carolinas and Progress Energy Carolinas has not been audited as part of this docket.

South Carolina Electric & Gas Company
Burned Cost - Consumed Generation
January 2011 - December 2011
Docket No. 2012-2-E

Used for Base Fuel Factor:

<u>Month</u>	<u>Coal</u>		<u>#2 Oil</u>		<u>Gas</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>
	\$	%	\$	%	\$	%	\$	%	\$
Jan-11	45,145,744	59.77%	1,769,018	2.34%	25,374,625	33.59%	3,245,537	4.30%	75,534,924
Feb-11	29,538,941	61.38%	275,865	0.57%	15,124,970	31.43%	3,184,764	6.62%	48,124,540
Mar-11	27,449,130	55.01%	411,292	0.82%	18,510,022	37.10%	3,525,201	7.07%	49,895,645
Apr-11	28,443,038	54.84%	845,163	1.63%	20,982,371	40.45%	1,598,649	3.08%	51,869,221
May-11	46,528,784	64.07%	738,201	1.02%	25,302,303	34.84%	50,256	0.07%	72,619,544
Jun-11	47,851,489	62.90%	284,966	0.38%	24,066,316	31.63%	3,873,830	5.09%	76,076,601
Jul-11	51,390,813	61.52%	175,448	0.21%	27,156,003	32.51%	4,809,937	5.76%	83,532,201
Aug-11	51,274,100	61.94%	254,647	0.31%	26,436,999	31.94%	4,809,099	5.81%	82,774,845
Sep-11	42,119,401	57.60%	150,299	0.21%	26,203,101	35.83%	4,650,168	6.36%	73,122,969
Oct-11	27,412,200	48.98%	109,457	0.19%	23,633,860	42.23%	4,810,744	8.60%	55,966,261
Nov-11	32,917,705	57.69%	596,025	1.04%	18,887,916	33.10%	4,660,657	8.17%	57,062,303
Dec-11	37,318,494	61.92%	589,796	0.98%	17,540,169	29.11%	4,815,175	7.99%	60,263,634
Totals	467,389,839	59.40%	6,200,177	0.79%	269,218,655	34.21%	44,034,017	5.60%	786,842,688

South Carolina Electric & Gas Company
 Cost of Fuel
 January 2011 - December 2011
 Docket No. 2012-2-E

<u>Month</u>	<u>Cost of Fuel Burned</u>	<u>Fuel Costs of Purchased and Interchange Power</u>	<u>Fuel Cost Recovered from Intersystem Sales</u>	<u>Total Fuel Costs</u>
	\$	\$	\$	\$
Jan-11	75,534,924	13,206,433	(3,588,804)	85,152,553
Feb-11	48,124,540	10,865,922	(1,349,318)	57,641,144
Mar-11	49,895,645	9,126,653	(3,495,335)	55,526,963
Apr-11	51,869,221	14,536,677	(2,113,561)	64,292,337
May-11	72,619,544	19,826,764	(3,422,965)	89,023,343
Jun-11	76,076,601	15,712,881	(4,041,578)	87,747,904
Jul-11	83,532,201	16,189,190	(4,250,840)	95,470,551
Aug-11	82,774,845	16,192,379	(3,804,265)	95,162,959
Sep-11	73,122,969	2,267,025	(3,140,952)	72,249,042
Oct-11	55,966,261	644,930	(2,570,656)	54,040,535
Nov-11	57,062,303	1,331,569	(1,724,255)	56,669,617
Dec-11	60,263,634	302,577	(1,906,672)	58,659,539
Totals	786,842,688	120,203,000	(35,409,201)	871,636,487

South Carolina Electric & Gas Company
 Computation of Unbilled Revenue
 January 2011 - April 2012
 Docket No. 2012-2-E

	-----ACTUAL-----							
	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011
Fossil Fuel	\$ 72,289,387	\$ 44,939,776	\$ 46,370,444	\$ 50,270,572	\$ 72,569,288	\$ 72,202,771	\$ 78,722,264	\$ 77,965,746
Nuclear Fuel	\$ 3,245,537	\$ 3,184,764	\$ 3,525,201	\$ 1,598,649	\$ 50,256	\$ 3,873,830	\$ 4,809,937	\$ 4,809,099
Purchased & Interchange Power Fuel	\$ 13,206,433	\$ 10,865,922	\$ 9,126,653	\$ 14,536,677	\$ 19,826,764	\$ 15,712,881	\$ 16,189,190	\$ 16,192,379
Total Cost of Fuel Burned	\$ 88,741,357	\$ 58,990,462	\$ 59,022,298	\$ 66,405,898	\$ 92,446,308	\$ 91,789,482	\$ 99,721,391	\$ 98,967,224
Less: Fuel Cost Recovered Intersystem Sales	\$ 3,588,804	\$ 1,349,318	\$ 3,495,335	\$ 2,113,561	\$ 3,422,965	\$ 4,041,578	\$ 4,250,840	\$ 3,804,265
Total Fuel Costs	\$ 85,152,553	\$ 57,641,144	\$ 55,526,963	\$ 64,292,337	\$ 89,023,343	\$ 87,747,904	\$ 95,470,551	\$ 95,162,959
Total System kWh Sales Excluding Intersystem Sales	2,260,416,877	1,992,956,211	1,686,382,216	1,586,685,062	1,790,658,058	2,269,314,949	2,282,784,570	2,460,942,476
Fuel Cost Per kWh Sales	\$ 0.037671	\$ 0.028922	\$ 0.032927	\$ 0.040520	\$ 0.049715	\$ 0.038667	\$ 0.041822	\$ 0.038669
Less: Base Cost Per kWh Included In Rates	\$ 0.036100	\$ 0.036100	\$ 0.036100	\$ 0.036100	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860
Fuel Adjustment Per kWh	\$ (0.00157)	\$ 0.00718	\$ 0.00317	\$ (0.00442)	\$ (0.01386)	\$ (0.00281)	\$ (0.00596)	\$ (0.00281)
Unbilled Revenue kWh Sales	2,147,249,640	1,907,211,079	1,603,539,042	1,503,328,992	1,697,271,290	2,154,619,297	2,162,613,507	2,341,894,720
Deferred Fuel Entry	\$ (3,371,182)	\$ 13,693,776	\$ 5,083,219	\$ (6,644,714)	\$ (23,524,180)	\$ (6,054,480)	\$ (12,889,177)	\$ (6,580,724)
Cumulative Over/(Under) Recovery -Prior Month	\$ (76,013,131)	\$ (80,468,001)	\$ (76,712,199)	\$ (72,003,092)	\$ (73,147,551)	\$ (89,835,357)	\$ (94,329,258)	\$ (100,001,533)
Monthly Carrying Cost Collected	(1) \$ (108,446)	\$ (115,967)	\$ (117,676)	\$ (99,783)	\$ (51,554)	\$ (52,291)	\$ (42,744)	\$ (35,237)
Less: Fixed Capacity Charges & Cost Allocation Adj.	(2) \$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583
Company Accounting Adjustments	(3) \$ -	\$ 924 (A)	\$ (975,471) (B)	\$ -	\$ -	\$ (15,033) (C)	\$ -	\$ -
Co.'s Unbilled Fuel Cost Over/(Under)Recovery Adj.	(4) \$ (2,558,825)	\$ (11,406,514)	\$ (864,548)	\$ 4,016,455	\$ 5,304,345	\$ 44,320	\$ 5,676,063	\$ (2,402,703)
Cumulative Over/(Under) Recovery	\$ (80,468,001)	\$ (76,712,199)	\$ (72,003,092)	\$ (73,147,551)	\$ (89,835,357)	\$ (94,329,258)	\$ (100,001,533)	\$ (107,436,614)

*Explanations of Adjustments (1) through (4) on Audit Exhibit CLS-6 are included in the testimony of Christina L. Seale.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
January 2011 - April 2012
Docket No. 2012-2-E

	-----ACTUAL-----				-----ESTIMATED-----			
	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012
Fossil Fuel	\$ 68,472,801	\$ 51,155,517	\$ 52,401,646	\$ 55,448,459	\$ 58,454,984	\$ 41,881,000	\$ 39,765,000	\$ 37,370,000
Nuclear Fuel	\$ 4,650,168	\$ 4,810,744	\$ 4,660,657	\$ 4,815,175	\$ 4,812,736	\$ 4,325,000	\$ 4,627,000	\$ 4,471,000
Purchased & Interchange Power Fuel	\$ 2,267,025	\$ 644,930	\$ 1,331,569	\$ 302,577	\$ 1,163,066	\$ 9,728,000	\$ 15,857,000	\$ 14,549,000
Total Cost of Fuel Burned	\$ 75,389,994	\$ 56,611,191	\$ 58,393,872	\$ 60,566,211	\$ 64,430,786	\$ 55,934,000	\$ 60,249,000	\$ 56,390,000
Less: Fuel Cost Recovered Intersystem Sales	\$ 3,140,952	\$ 2,570,656	\$ 1,724,255	\$ 1,906,672	\$ 3,128,010	\$ 1,886,000	\$ 1,276,000	\$ 1,265,000
Total Fuel Costs	\$ 72,249,042	\$ 54,040,535	\$ 56,669,617	\$ 58,659,539	\$ 61,302,776	\$ 54,048,000	\$ 58,973,000	\$ 55,125,000
Total System kWh Sales Excluding Intersystem Sales	2,221,943,861	1,717,918,058	1,550,158,344	1,705,074,254	1,872,902,449	1,916,700,000	1,774,000,000	1,623,700,000
Fuel Cost Per kWh Sales	\$ 0.032516	\$ 0.031457	\$ 0.036557	\$ 0.034403	\$ 0.032731	\$ 0.028198	\$ 0.033243	\$ 0.033950
Less: Base Cost Per kWh Included In Rates	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860	\$ 0.035860
Fuel Adjustment Per kWh	\$ 0.00334	\$ 0.00440	\$ (0.00070)	\$ 0.00146	\$ 0.00313	\$ 0.00766	\$ 0.00262	\$ 0.00191
Unbilled Revenue kWh Sales	2,127,340,665	1,636,636,432	1,466,998,747	1,616,131,567	1,777,597,439	1,827,800,000	1,689,200,000	1,543,700,000
Deferred Fuel Entry	\$ 7,105,318	\$ 7,201,200	\$ (1,026,899)	\$ 2,359,552	\$ 5,563,880	\$ 14,000,948	\$ 4,425,704	\$ 2,948,467
Cumulative Over/(Under) Recovery -Prior Month	\$ (107,436,614)	\$ (108,261,418)	\$ (101,876,596)	\$ (98,308,622)	\$ (92,791,882)	\$ (87,113,612)	\$ (76,747,334)	\$ (72,416,810)
Monthly Carrying Cost Collected	(1) \$ (38,101)	\$ (37,841)	\$ (37,841)	\$ (36,322)	\$ (34,152)	\$ (34,152)	\$ (34,152)	\$ (34,152)
Less: Fixed Capacity Charges & Cost Allocation Adj.	(2) \$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583	\$ 1,583,583
Company Accounting Adjustments	(3) \$ (496,334)	(D) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Co.'s Unbilled Fuel Cost Over(Under)Recovery Adj.	(4) \$ (8,979,270)	\$ (2,362,120)	\$ 3,049,131	\$ 1,609,927	\$ (1,435,041)	\$ (5,184,101)	\$ (1,644,611)	\$ (260,126)
Cumulative Over/(Under) Recovery	\$ (108,261,418)	\$ (101,876,596)	\$ (98,308,622)	\$ (92,791,882)	\$ (87,113,612)	\$ (76,747,334)	\$ (72,416,810)	\$ (68,179,038)

*Explanations of Adjustments (1) through (4) on Audit Exhibit CLS-6 are included in the testimony of Christina L. Seale.

Cumulative Over/(Under) Base Fuel Component (per Audit Exhibit CLS-6)	\$ (92,791,882)	\$ (68,179,038)
Cumulative Over/(Under) Environmental Component (per Audit Exhibit CLS-8)	\$ (3,051,203)	\$ (3,954,086)
Net Cumulative Base Fuel and Environmental Components Over/(Under)- Recovery Balances	<u>\$ (95,843,085)</u>	<u>\$ (72,133,124)</u>

South Carolina Electric & Gas Company
 Total Environmental Costs
 January 2011 - December 2011
 Docket No. 2012-2-E

Used for Environmental Cost Factor:

<u>Month</u>	<u>SO2 Emissions Allowance</u>		<u>NOx Emissions Allowance</u>		<u>Lime/Limestone</u>		<u>Ammonia</u>		<u>Total Environmental Costs</u>
	\$	%	\$	%	\$	%	\$	%	\$
Jan-11	332,092	34.89%	0	0.00%	482,119	50.66%	137,500	14.45%	951,711
Feb-11	174,027	18.16%	799	0.08%	480,690	50.15%	302,929	31.61%	958,445
Mar-11	143,246	20.54%	0	0.00%	305,997	43.88%	248,146	35.58%	697,389
Apr-11	246,295	25.53%	0	0.00%	523,020	54.20%	195,609	20.27%	964,924
May-11	359,536	25.43%	5,088	0.36%	601,576	42.55%	447,642	31.66%	1,413,842
Jun-11	311,277	18.44%	4,039	0.24%	832,802	49.33%	540,132	31.99%	1,688,250
Jul-11	385,991	29.92%	6,926	0.54%	534,173	41.41%	362,821	28.13%	1,289,911
Aug-11	337,355	24.36%	3,612	0.26%	635,150	45.87%	408,678	29.51%	1,384,795
Sep-11	202,778	16.76%	3,408	0.28%	612,803	50.65%	390,994	32.31%	1,209,983
Oct-11	144,392	15.92%	0	0.00%	501,489	55.29%	261,153	28.79%	907,034
Nov-11	254,909	26.45%	0	0.00%	500,148	51.88%	208,932	21.67%	963,989
Dec-11	128,431	11.51%	0	0.00%	519,643	46.57%	467,841	41.92%	1,115,915
Totals	\$ 3,020,329	22.30%	\$ 23,872	0.18%	\$ 6,529,610	48.20%	\$ 3,972,377	29.32%	\$ 13,546,188

South Carolina Electric & Gas Company
Details of Environmental Costs
January 2011 - April 2012
Docket No. 2012-2-E

	Actual							
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
<u>Environmental Costs Incurred</u>								
SO2 Emissions Allowances	\$ 332,092	\$ 174,027	\$ 143,246	\$ 246,295	\$ 359,536	\$ 311,277	\$ 385,991	\$ 337,355
NOx Emissions Allowances	\$ -	\$ 799	\$ -	\$ -	\$ 5,088	\$ 4,039	\$ 6,926	\$ 3,612
Limestone	\$ 482,119	\$ 480,690	\$ 305,997	\$ 523,020	\$ 601,576	\$ 832,802	\$ 534,173	\$ 635,150
Ammonia	\$ 137,500	\$ 302,929	\$ 248,146	\$ 195,609	\$ 447,642	\$ 540,132	\$ 362,821	\$ 408,678
Sub-Total	\$ 951,711	\$ 958,445	\$ 697,389	\$ 964,924	\$ 1,413,842	\$ 1,688,250	\$ 1,289,911	\$ 1,384,795
Less: Environ. Costs Recovered in Inter-Company Sales	\$ 2,197	\$ 613	\$ -	\$ 163	\$ 1,569	\$ 13,094	\$ 5,702	\$ 2,139
Net Environmental Costs	\$ 949,514	\$ 957,832	\$ 697,389	\$ 964,761	\$ 1,412,273	\$ 1,675,156	\$ 1,284,209	\$ 1,382,656
Retail Allocation Factor of Total Environmental Costs	95.77%	95.77%	95.77%	95.77%	95.77%	95.77%	95.77%	95.77%
Retail Share of Total Environmental Costs	\$ 909,350	\$ 917,316	\$ 667,889	\$ 923,952	\$ 1,352,534	\$ 1,604,297	\$ 1,229,887	\$ 1,324,170
Amounts Billed to Retail Customers	\$ (11,585)	\$ (4,987)	\$ 5,208	\$ 7,193	\$ 674,519	\$ 934,810	\$ 953,185	\$ 1,043,926
Over (Under) Recovery	\$ (920,935)	\$ (922,303)	\$ (662,681)	\$ (916,759)	\$ (678,015)	\$ (669,487)	\$ (276,702)	\$ (280,244)
Cumulative Over (Under) Recovery - Prior Month	\$ 3,180,866	\$ 2,259,515	\$ 1,249,385	\$ 568,596	\$ 13,369	\$ (573,483)	\$ (1,234,944)	\$ (1,419,209)
Company's Adjustments Over (Under) Recovery (5)		\$ (90,704) (A)	\$ (20,283) (B)					
Company's Unbilled Fuel Cost Over (Under) Recovery Adj. (6)	\$ (416)	\$ 2,877	\$ 2,175	\$ 361,532	\$ 91,163	\$ 8,026	\$ 92,437	\$ (43,318)
Cumulative Over (Under) Recovery	\$ 2,259,515	\$ 1,249,385	\$ 568,596	\$ 13,369	\$ (573,483)	\$ (1,234,944)	\$ (1,419,209)	\$ (1,742,771)

* Explanations of Adjustments (5) through (6) on Audit Exhibit CLS-8 are included in the testimony of Christina L. Seale.

South Carolina Electric & Gas Company
Details of Environmental Costs
January 2011 - April 2012
Docket No. 2012-2-E

	Actual				Estimated			
	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>
SO2 Emissions Allowances	\$ 202,778	\$ 144,392	\$ 254,909	\$ 128,431	\$ 61,165	\$ 44,675	\$ 54,591	\$ 32,348
NOx Emissions Allowances	\$ 3,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Limestone	\$ 612,803	\$ 501,489	\$ 500,148	\$ 519,643	\$ 569,166	\$ 881,476	\$ 737,480	\$ 593,801
Ammonia	\$ 390,994	\$ 261,153	\$ 208,932	\$ 467,841	\$ 238,823	\$ 232,808	\$ 315,536	\$ 187,473
Sub-Total	\$ 1,209,983	\$ 907,034	\$ 963,989	\$ 1,115,915	\$ 869,154	\$ 1,158,959	\$ 1,107,607	\$ 813,622
Less: Environ. Costs Recovered in Inter-Company Sales	\$ 1,840	\$ -	\$ -	\$ -	\$ -	\$ 950	\$ 250	\$ 270
Net Environmental Costs	\$ 1,208,143	\$ 907,034	\$ 963,989	\$ 1,115,915	\$ 869,154	\$ 1,158,009	\$ 1,107,357	\$ 813,352
Retail Allocation Factor of Total Environmental Costs	95.77%	95.77%	95.77%	95.77%	95.82%	95.82%	95.82%	95.82%
Retail Share of Total Environmental Costs	\$ 1,157,039	\$ 868,666	\$ 923,212	\$ 1,068,712	\$ 832,823	\$ 1,109,604	\$ 1,061,069	\$ 779,354
Amounts Billed to Retail Customers	\$ 921,639	\$ 646,423	\$ 574,365	\$ 670,171	\$ 763,265	\$ 791,887	\$ 689,105	\$ 592,662
Over (Under) Recovery	\$ (235,400)	\$ (222,243)	\$ (348,847)	\$ (398,541)	\$ (69,558)	\$ (317,717)	\$ (371,964)	\$ (186,692)
Cumulative Over (Under) Recovery - Prior Month	\$ (1,742,771)	\$ (2,128,745)	\$ (2,391,355)	\$ (2,684,358)	\$ (3,051,203)	\$ (3,143,404)	\$ (3,549,903)	\$ (3,954,947)
Company's Adjustments Over (Under) Recovery	(5)							
Company's Unbilled Fuel Cost Over (Under) Recovery Adj.	(6) \$ (150,574)	\$ (40,367)	\$ 55,844	\$ 31,696	\$ (22,643)	\$ (88,782)	\$ (33,080)	\$ 187,553
Cumulative Over (Under) Recovery	\$ (2,128,745)	\$ (2,391,355)	\$ (2,684,358)	\$ (3,051,203)	\$ (3,143,404)	\$ (3,549,903)	\$ (3,954,947)	\$ (3,954,086)

* Explanations of Adjustments (5) through (6) on Audit Exhibit CLS-8 are included in the testimony of Christina L. Seale.